

# Single Family Housing Repair Loans/Grants - Section 504

Committed to  
the future  
of rural  
communities in  
California

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Department of Agriculture  
Rural Development  
California

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Committed to the future of rural communities.

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## Offering low interest loans and/or grants, the Section 504 Housing Repair Loan and Grant Programs provide affordable housing assistance for low income families.

### WHO IS ELIGIBLE

Rural homeowners who need to repair their home. To locate eligible rural areas in California visit:

<http://eligibility.sc.egov.usda.gov/eligibility/mainervlet>. Eligible towns are generally less than 25,000 in population and not part of an urbanized area.

### USE OF FUNDS

The agency makes home improvement loans to people who may not need a new house or cannot afford a new house, but need some repairs completed on their present house to bring it up to minimum standards. It also makes loans, as well as grants, to homeowners to remove health or safety hazards from their dwellings. Grants are made only to very low-income elderly homeowners, 62 years or older.

### WHO MAY BORROW

Very low-income families can receive up to \$20,000 in a loan, a combination loan and grant, or a full grant to remove health hazards. Grants are limited to \$7,500 per applicant per lifetime. The interest rate on the 504 loan is one (1) percent with up to 20 years in which to repay.

To receive a combination loan and grant, an applicant must be 62 years or older and able to pay for only a part of the repairs.

To receive a grant, the homeowner must be 62 years or older and unable to pay for any repairs on the house.

### INCOME CRITERIA

An applicant's income is the key to the type of assistance for which he/she is eligible. If income is so low as to permit only removal of health and safety hazards, a repair loan and/or grant may be available.

For homeowners with somewhat higher incomes, a home improvement loan may be possible to bring the house up to minimum standards. Each person who applies gets equal consideration without regard to race, color, religion, sex, marital status, age, handicap, or national origin.

### SECURITY REQUIREMENTS

A real estate Deed of Trust (mortgage) is required for loans of more than \$7,500, and in some instances may be required for smaller loans. If the loans are under \$2,500, but income is small so that repaying the loan will be difficult, someone may co-sign the loan note with the borrower.

Homeowners who receive a grant or a combination loan and grant must agree to repay the grant if the property is sold within three (3) years. Rural Development is an Equal Opportunity Lender.

### OTHER CONDITIONS

Applicants from eligible veterans are given preference. Veterans and non-veterans must meet the same requirements. Each person who applies will receive equal consideration regardless of race, color, religion, sex, age, marital status, handicap, or national origin.